

**MINUTES OF REGULAR MEETING - RIVERBOAT  
OPEN SESSION  
January 24, 2013  
ILLINOIS GAMING BOARD  
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Thursday, January 24, 2013 a Regular Meeting - Riverboat of the Illinois Gaming Board ("Board") was held on the 2<sup>nd</sup> floor at 110 W. Randolph at the JRTC Building, Chicago, Illinois at 10:15 A.M. Present were the following: Members Maribeth Vander Weele, Michael Holewinski and Lee Gould. Chairman Jaffe participated via speaker phone.

**APPROVAL OF MINUTES**

Member Gould moved that **the Board approve the open session minutes of its Regular Meeting of December 20, 2012.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

**ADMINISTRATOR'S REPORT –**

Administrator Ostrowski gave a brief summary on the fall meeting with Tom Swoik of the Illinois Casino Gaming Association.

**BOARD POLICY ITEM –**

Caleb Melamed legislative liaison to the IGB addressed the Board.

Section 5 (c) (3) of the Riverboat Gambling Act confers rulemaking authority upon the Illinois Gaming Board regarding riverboat gambling, and Section 78 (a) (3) and (b) of the Video Gaming Act confers comparable rulemaking authority upon the Board regarding video gaming. At the January 24, 2013 open meeting of the Illinois Gaming Board, the Board's legal staff will submit proposals to amend the Board's rules on riverboat gambling [86 Ill. Admin. Code 3000] and video gaming [11 Ill. Admin. Code 1800] as follows:

**Amendment to Riverboat Gambling Rules:**

***Licensees and applicants must promptly disclose changes of information pertaining to criminal arrests or criminal proceeding dispositions, and the Administrator may unilaterally impose fines for failure to make prompt disclosures.***

The current Section 3000.140 [86 Ill. Admin. Code 3000.140] provides that licensees and applicants for licenses have a continuing duty to disclose promptly any material changes in information provided to the Board; and that the failure to do so may result in discipline up to and including revocation of a license. The Board has consistently used this Section to require the

prompt disclosure of criminal arrests and criminal proceeding dispositions by licensees and applicants, and has issued fines for the failure to do so.

The proposed rulemaking adds a new subsection c) to Rule 3000.140, which authorizes the Administrator to impose a uniform schedule of fines when a licensee fails to disclose to the Board information regarding criminal arrests and/or dispositions, thereby eliminating the need to bring a separate Disciplinary Complaint to the Board every time a violation of this subsection occurs. Under the rules as presently written, only the Board, and not the Administrator, has authority to impose fines or other penalties for violations.

The fines imposed by the Administrator under the new language will be \$250 for a first violation, \$500 for a second violation, and an additional \$250 in the fine amount for each subsequent violation. This is the same fine schedule currently followed by the Board in these situations. The Administrator can impose the fines in conjunction with any additional or further disciplinary action imposed by the Board.

Payment of the fines shall be due within 21 days after service is complete, unless the licensee or applicant timely files an answer requiring the appointment of a hearing officer.

The enactment of this rule change will permit the Board to more effectively utilize its time by focusing on issues requiring greater discretion and deliberation. In light of the standard and uncomplicated nature of the violations covered by the present rulemaking, the Administrator can impose the provided fines with equal efficiency and fairness.

- **Proposed Amendments to the Riverboat Gambling Rules – Section 140**

Member Vander Weele moved that **the Board authorize staff to amend the Board's rules on Riverboat Gambling, Section 3000.140 regarding Duty to Disclose Changes in Information, by submitting a proposal for First Notice Filing with the Secretary of State upon final review and approval by the Administrator.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

### **OWNER LICENSEE ITEMS**

Items for Initial Consideration –

- **Southern Illinois Riverboat Casino Cruises, Inc. d/b/a Harrah's Metropolis Casino – License Renewal**

A power point presentation was made by Harrah's Metropolis for their licensure renewal. Immediately following the presentation the floor was open to questions and Member Vander Weele addressed her diversity concerns to the General Manager of Harrah's Metropolis; Mark Osterhaus.

- **Caesars Entertainment Corporation – Request for Consideration for Financing Transaction**

Based on staff's investigation, Member Gould moved **to approve Caesars Entertainment Corporation's request to amend the Board's November decision to approve the First Lien Bond Offering maturing in 2020 for up to \$500 million.** Member Gould further moved, **pursuant to Rule 230(d), to approve Caesars Entertainment Corporation's \$750 million 9% First Lien Notes due 2020 and the indenture terms therein that apply to Southern Illinois Riverboat Casino Cruises, Inc. d/b/a Harrah's Metropolis Casino and the general partner ownership interests of Des Plaines Development Limited Partnership d/b/a Harrah's Joliet Casino and Hotel.** Member Vander Weele seconded the motion. Member Holewinski was in favor of the motion. Chairman Jaffe opposed the motion. The motion passed 3 to 1.

- **Des Plaines Development Limited Partnership d/b/a Harrah's Joliet Casino and Hotel and Southern Illinois Riverboat Casino Cruises, Inc. d/b/a Harrah's Metropolis Casino – Michael D. Cohen, Key Person**

Based on staff's investigation, Member Vander Weele moved that **the Board approve Michael D. Cohen as a Key Person of Des Plaines Development Limited Partnership d/b/a Harrah's Joliet Casino and Hotel and Southern Illinois Riverboat Casino Cruises, Inc. d/b/a Harrah's Metropolis Casino in his position as Director of Southern Illinois Riverboat Casino Cruises and Harrah's Illinois Corporation, the General Partner of Des Plaines Development Limited Partnership.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

### **SUPPLIER LICENSE ITEM**

- **Global Cash Access, Inc. – New Supplier License**

Based on staff's investigation, Member Gould moved that **the Board issue a Supplier's License to Global Cash Access, Inc., effective December 20, 2012 for a period of one year, expiring in December 2013, and designate the following entities, positions and/or individuals as Key Person of Global Cash Access, Inc.:**

- **Global Cash Access Holdings, Inc.;**
- **Chief Executive Officer, Global Cash Access, Inc.;**
- **President, Global Cash Access, Inc.;**
- **Scott Howard Betts; and**
- **David B. Lopez.**

Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

- **AGS Illinois, LLLP – License Renewal**

Based on staff's investigation, Member Vander Weele moved that **the Board renew AGS Illinois, LLLP's Supplier's License, effective January 24, 2013 for a period of four (4) years, expiring in January 2017 and designate and approve the following positions, persons and entities as Key Persons of AGS Illinois, LLLP:**

1. **AGS Partners, LLC;**
2. **AGS, LLC;**
3. **AGS Capital, LLC;**
4. **AGS Holdings, LLC;**
5. **Alpine AGS, LLC;**
6. **GW AGS, LLC;**
7. **President, AGS, LLC;**
8. **Chief Executive Officer, AGS Illinois, LLLP;**
9. **Graham Weaver; and**
10. **Robert Miodunski.**

Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

#### **OCCUPATIONAL LICENSE APPROVAL AND DENIALS –**

Based on staff's investigation, Member Gould moved that **the Board find suitable and approve 23 applications for Level 2 Occupational Licenses and 85 applications for Level 3 Occupational Licenses.** Further, Member Gould moved that **the Administrator issue a Notice of Denial to Christopher G. Scudder.**

#### **PROPOSED COMPLAINTS AND DISCIPLINARY ACTIONS**

- **Patriot Gaming & Electronics, Inc.**

Based on staff's investigation, Member Gould moved that **the Board issue a Disciplinary Complaint against Patriot Gaming & Electronics, Inc. for its failure to timely file its Annual Update and fine Patriot Gaming & Electronics, Inc. \$5,000.00, said action to take effect 21 days from the date of service of the Complaint, unless it files an Answer or pays the fine within that time period.** Member Holewinski seconded the motion. Chairman Jaffe was in favor of the motion. Member Vander Weele was opposed to the motion. The motion passed 3 to 1.

At 11:05 A.M. Member Gould motioned to adjourn and Member Vander Weele seconded the motion. All Members voted in favor of adjournment.

Respectfully submitted,

Mary C. Boruta  
Secretary to the Administrator